

HUDSON'S BAY COMPANY.

REPORT of the proceedings at a General Court of the Governor and Company of Adventurers of England, trading into Hudson's Bay, held at the City Terminus Hotel, Cannon Street, London, E.C., on Tuesday, 12th July, 1898. Lord STRATHCONA AND MOUNT ROYAL, G.C.M.G. (the Governor), presiding.

The SECRETARY read the notice of the Meeting, and the Report was taken as read.

The CHAIRMAN: Ladies and gentlemen—It will be seen by the Report that the profit for the year is £69,373 7s. 9d. Add to this £21,999 12s. 1d., brought from last year, and the undivided profits are £91,372 19s. 10d., out of which we recommend a dividend of 13s. a share, free of income tax, absorbing £65,000, and leaving £26,372 19s. 10d. to be carried forward.

The Furs and other imports realised £244,417 12s. 11d. last Outfit, and I should say that the Accounts with which we are now dealing have regard to the Trade generally from the 1st day of June, 1896, to the 31st May, 1897; but with regard to the Land they are from the 1st April, 1897, until the 31st March last. The above amount shows an increase of £15,926 11s. 11d. over the preceding Outfit, although the quantity of furs sold was not so large, especially in Beaver and Marten, but the advance in prices came to our help. The field for the Canadian Fur Trade is contracting, as settlement and opening up of the country goes on. Competition through these causes at the same time is increasing, but the regulation of expenses and the concentration of the business enables it to be still carried on on a fairly profitable basis. The immediate prospects for obtaining furs, however, are not so good as they were last year. The usual periodic

decline of many classes of fur-bearing animals is now going on, and we hardly expect the collection for this year and the next will be up to an average. It is the case, and this has been the case for many years, that there has been an increase for four or five years and then a decrease in fur-bearing animals, and I believe this applies generally to all wild animals, at any rate in North America.

The volume of trade done in the Sale Shops shows little change, but the character of the goods sold was rather that of necessities than of luxuries, owing to enforced economy. This resulted in a slight falling off in the net earnings. The harvest of 1896 was a fairly good one as regards the yield. The better prices which prevailed in the early part of the year were not maintained throughout the season. More recently, however, prices have risen materially.

The result of the Land Department, which now enters into the accounts for the year ending 31st March last, is some £5,000 better than for the preceding year. The collection of instalments shows much improvement, and expenses are reduced to the extent of £400. During the year under review there were sold 37,923 acres of farming lands for \$183,890, and 57 town lots for \$9,174, as compared with 10,784 acres for \$53,277, and 190 lots for \$38,480 in the year preceding. It may be well here to mention that for the farm lands the payments are made in eight years—one-eighth each year with interest at 7 per cent.—while for town lots the payments are in three instalments, with interest at the same rate. The improved conditions of the farmers enabled them to purchase the Company's Lands lying in their neighbourhood, and it is well to say that the farmers—those already settled in the country—are the best customers for the Hudson's Bay Company's Lands. Every immigrant over eighteen years of age is entitled to take 160 acres free of charge as a grant from the Government, so that it is really those who have settled in the country, and who are desirous of adding to the land in their neighbourhood, who, as I have already said, are the chief purchasers of the Hudson's Bay Company's Lands, and consequently the Company get better prices for them,

because the farmers are so anxious to obtain them for themselves and their families. The increased prosperity of the farmers is seen in the more regular payment of interest, the repayment of mortgages, and the better class of buildings being erected in many parts of the country. It is estimated that at least 25 per cent more land is under cultivation this year than last, and up to the present time the weather has been favourable, and there is every indication of the harvest being a good one, although, of course, occasionally sharp frosts come in August to mar the crops. At the same time it is very satisfactory to know that throughout the country, as cultivation goes on year by year, there is less and less fear of injury from frost. That is the experience throughout the whole of the North-West of Canada, and also of the United States of America.

The progress of Winnipeg as a commercial centre of the North West is typical of that throughout the whole of the country. Many buildings of a superior character are being erected, and, apart from numerous private residences, the cost of the commercial buildings alone is estimated at upwards of \$700,000.

Mining in the Western part of Canada, notably in the Kootenay District and the Mining Districts of Southern British Columbia, has made great progress. Several large companies have been successfully floated, and are considered to be on a paying basis, although I am afraid that not all of those companies that have been got up for mining in the Yukon and Klondyke will be fortunate in every respect. Great care we feel, ought to be taken in investing money in what after all is but a venture. The Company are taking advantage of the extension of the mining interest, and extending the operations of their business throughout that part of the country, and there is every reason to hope that profitable and satisfactory business can be done. They are also establishing posts at Glenora and Teslin Lake and at Fort Selkirk in the Yukon District, and have two steamboats successfully working upon the Stikine River. One of these boats has been used for their transport business for several

years. It was remodelled this year to improve its capacity for carrying goods and passengers, and we have built another boat of good size, that is, as large as can be conveniently worked on the Stikine River. Both these boats, we are glad to say, from the last accounts, are doing very well. The travel towards the Yukon has somewhat fallen off, owing chiefly to the war between the United States and Spain, which has attracted a considerable proportion of the floating population. While taking advantage of the amount of trade which offered, the Company's arrangements are such—and this has been carefully guarded—that in the event of the anticipated rush not being altogether realised, it will not suffer from its capital being unduly locked up.

Improved efficiency in Canada and London has been accompanied by greater economy. For example, in the Land Department in Canada the expenses ten years ago, excluding municipal and other taxes, amounted to £7,292. Now this item is only £3,122. Of course the taxation is a variable amount; we do not know what it may be one year or another, and unfortunately it is increasing. As the settlement of the country goes forward schools and other institutions are established, to which the Hudson's Bay Company, like others, have to contribute, but at the same time there is the satisfaction of knowing that if there is an increase of taxation there must also be a very great increase in the value of the lands owing to the settlement that takes place, and also that you have a larger field for your trading purposes—your Sale Shops. In London the expenses, including directors, rent, warehouse, office expenses, &c., ten years ago were £13,758; now they are only £11,043. The supervision over the Company's business we consider to be excellent, as, besides the Commissioner, there is a staff of efficient inspectors who visit the different posts and stations regularly, and report direct to the Board, and in several instances where Fur Posts formerly stood Sale Shops have been established, with the view of supplying the settlers.

Looking to the dividends that have been given, I may say that they have been fairly regular for some years now:

this year 13s. per share, or five per cent on the par value of the stock; 1897 and 1896 also 13s.; 1895, 12s.; 1894, 10s.; and 1893, 12s., as compared with much smaller dividends in some former years, and this in a large measure must be attributed to the economies effected, and more thorough supervision.

The price obtained for the land last year gave an average of \$4.85 per acre, or 10 cents less than the year preceding. This, however, does not imply that the value of the land in the old districts has decreased, but that, from the opening up of new districts by railways, land, which formerly was practically unsaleable, is now coming into the market; and it is worth while remarking here on the position of the Company's land, distributed as it is over the whole of the Fertile Belt, extending from the Lake of the Woods to the summit of the Rocky Mountains, some 1,100 miles east and west; and north from the international boundary 300 odd miles. In every township throughout that region, wherever settlement takes place, wherever the lands are surveyed, the Hudson's Bay Company have in each of every four ranges of townships one section of 640 acres (section 8), and three-fourths of section 26, and in every fifth range of townships the entire two sections 8 and 26, making in this way the one-twentieth to which they are entitled of all lands surveyed within the Fertile Belt. This will show what a valuable inheritance the Hudson's Bay Company's proprietors have in the land. It must go on increasing in value as settlement goes on, and fortunately this year there has been a very considerable increase of immigration into the North-West, and that of an excellent class of people, many from Great Britain, also a large number (I believe 4,000 or 5,000 up to the present time, or rather some little time back) from Galicia in the Austrian Kingdom. They are found to make excellent settlers; we have had experience of them, although not to the same extent, for, I think, three years back. It will be seen that the position of the Company's Lands is such that it is impossible that any railway constructed in the Fertile Belt can be more than

three miles from one or other of our Sections. In many cases the railways run through these Sections, or are quite close to them, thus giving to the Company's landed estate a far greater value than it could possibly have if it were instead in large separate blocks in one, two, or three different parts of the country.

Let me say that, as mentioned in the Report, the Directors had the advantage of having the Commissioner here in February last. They had been giving their attention very particularly for months back to the Yukon question—indeed so soon as they became aware of the in-rush of people into the Yukon Country last year, and the probability that they would go there in very much greater numbers this year, they had been looking to see how it would be possible for the Company best to avail themselves of this, and they asked the Commissioner to come to England. He had visited British Columbia immediately before, and had been much, during the last 12 months, through the country in which the Company's posts and stations are situated, and it was deemed desirable to consult him personally in order to be the better prepared to take measures for meeting the changed circumstances in British Columbia, and more especially in the Yukon or Klondyke Country. Yukon, of course, is the appellation of the whole country; Klondyke is but a very little spot there. It was pointed out to me by Mr. Ogilvie, the present Administrator of the Yukon Country, who had been surveying and exploring in that country for three or four years for the Government, how large was the area of gold-mining land. Taking up a map of North America and the Yukon, I said to Mr. Ogilvie: "Now, point out to me what you consider to be the auriferous or gold-bearing portion of land." He did so, and then I asked him to point out the particular part called Klondyke, where he had told us there was ready to be taken out \$100,000,000 of gold. He then marked the portion in which he honestly believed there was at least \$100,000,000 of gold. (A very small spot in comparison

with the whole auriferous area.) If this is borne out in actual experience that District must be rich indeed. This we know, that there is gold there, and it is the desire of the Company to do the best they can to profit by it, not by mining — (hear, hear) — but by supplying the miners. Measures have been adopted for dealing with this new condition of affairs, so as best to serve your interests, and these are now being carried out under the Commissioner's direct supervision, aided, as he is, by a most competent staff, who zealously and ably give their whole time and attention to the Company's business.

In former years I have spoken of your officers and employés in the Territory as being all that we could desire. I repeat that in my opinion there is no Company, no Corporation—be it in North America or anywhere else—that is better served than you are by those who work for you in North America. (Applause.)

It is very gratifying to be able to say that during the months of April, May and June, which do not come into the accounts of this year, the land sales were:—Farm Lands, 25,521 acres for \$128,328; town lots, 30 lots for \$13,335, together \$141,663: as against the same period in 1897:—Farm Lands, 8,786 acres for \$45,146; town lots, 17 lots for \$2,394, together \$47,540, or a difference in favour of the present year of \$94,123, or over £19,000. (Applause). I think we may look upon this as an earnest of a more prosperous year in respect of Land Sales than any we have had for a considerable time back. In 1894, in the months of April, May, and June, the Land Sales were \$20,900, and the receipts \$17,500; in 1895 \$19,800, receipts \$17,200; in 1896 \$20,500, receipts \$21,700; in 1897 \$48,000, receipts \$20,200; and in 1898, as I have just mentioned, \$141,100, receipts \$53,000.

Generally speaking, the effect of the economies and changes in the Company's business, which have for some years past been in course of institution under the direction of the Governor and Committee, is now being realised in benefit to the Company, and there would appear to be every reason to hope that there may be a continuance of

progress and of success before us. With these observations, which I am afraid have taxed your time too much, I will now move the adoption of the Report.

The EARL OF LICHFIELD: I shall have great pleasure in seconding the adoption of the Report.

The CHAIRMAN: I shall be glad now to hear any observations from proprietors who may desire to address the meeting.

Mr. LANDAU: My Lord, ladies and gentlemen, I am sure we have all listened with very great attention to the very interesting speech of our noble Chairman, and we have derived a certain amount of pleasure in hearing that the land sales are progressing so favourably. I want to join issue with our Chairman when he congratulates us generally upon the progress of this Company. I venture to say that if the money had been invested in land anywhere, at the time this Company was launched, we would have had a very much larger return than we have had in the intermittent dividends we have occasionally received. I well remember attending a meeting under Sir Stafford Northcote (later Lord Iddesleigh), when we were told that if we would forego our rights in Canada, and if we would only make our traders out there our partners, our fortunes would be made. What has been done? We have sold our birthright to the Canadian Government for a paltry sum of £300,000. It is quite true that under the circumstances it was the wisest thing to do, because so effete was our management that they absolutely did nothing, and it was better to hand over nineteen-twentieths of our Territory to the Canadian Government, who did promise, and not only promised, but actually fulfilled a large part of their promise, to do something with the land. I venture to say that if we had had a more energetic Board there would have been, not one, but probably 100 exploration companies started, one for minerals, one for railways, one for agriculture, and I do not know what, and there would have been a very large revenue accruing to this Company. I went to the expense of obtaining a list of Shareholders, and what do I find from that list of Shareholders? That Testators, being

imbued, as men always are—as I am myself—that we have a very valuable property, left it in their will, “Sell everything, but don’t sell Hudson’s Bay shares, leave those to our children.” The consequence is that while we have over 2,000 Shareholders, the number here assembled is something like 100 or 120. The bulk of the shares are in the names of executors, and trustees who do not take any active part in the Company; they are not the people to urge on Directors to do something, and that is how this poor Company got into this extraordinary state. We are to be content, and actually to be congratulated, with the large dividend of 13s. per share in a Company that practically owns a territory larger than any country in Europe—larger than half Europe. I say that we ought to exert ourselves, and to initiate a policy something different to killing a certain number of fur-bearing animals. Our Chairman has told us that those fur-bearing animals are decreasing. I am very glad to hear it, because then it may put some little energy into our Board and into the Shareholders. The Chairman has told us that the Accounts are much better kept, and that the supervision is better. Long may it continue, but I say that you must not lose sight of the fact that the fur-bearing animals are decreasing, and that you have to look more to the Land. It is well known that in the Hudson’s Bay Territory there are very large deposits of copper. What have the Directors done to encourage the development of that part of the country? I do not say they are to go and do mining, but they can easily grant a certain concession to somebody who will exert himself and form an Exploration Company, which would pay this Company a certain royalty. That is only one of a thousand of other things which might be developed; but the Directors are not urged on enough by the Shareholders. I hope that my sentiments will be endorsed by other Shareholders present. I am quite sure that the willingness is not absent from our Board, but they want to be urged on, and I think that is the purpose of a Shareholders’ Meeting. I hope, therefore, I shall be excused for having made the remarks I have made. I mean no offence to anyone: I want to benefit the Shareholders.

Mr. HENRY CLARKE : My Lord, I cannot entirely sympathise with the remarks of the last speaker. I am not going to follow him either as to whether our forefathers might have done better with their money than to have invested it in the Hudson's Bay Company. I understood the shareholder to say that if the money which has been invested by us had been invested in some other part of the world, and in some other way, we should have got a great deal more out of it than we have. It is utter waste of time for us to discuss what should have been done by the original Shareholders. I take it that what we have to do at this present meeting is to regard the Balance Sheet and the Report which have been placed before us, and the extremely interesting statement which has been made by our Governor ; and I must say, speaking as a very old shareholder in this Company, that I never listened to any speech from that chair with more satisfaction than I have to the speech to-day. It not only is full of hope for the future, but it also shows that the remarks which have been made from time to time 'on this side of the table, urging economy in the Land Department, in our London Department, and so forth, have had their effect, and that the present Directors are men of intelligence and energy. Instead of making any remarks which would serve to discourage our present Board, my frame of mind is to tell the Governor that I think we are under great obligation to him for taking so much trouble to give such an array of facts and figures as he has to-day. (Hear, hear.) There are not many Chairmen who would do that, and I think the existing Board of Directors have given proof that they have our interests at heart, and that we may safely leave them to manage our affairs. (Hear, hear.) It has been urged in past times that anything that could be done with regard to the exploitation of mineral wealth on our land should be done, and a promise was given to me to that effect, and I have no doubt that all that should have been done has been done ; but I should be sorry if this meeting broke up having on its mind such a disparaging speech as we have listened to just now. There is only one practical question which I wish to

ask, and that is this—it has been asked, I know, in years gone by : I see that according to our cash sheet we have about half-a-million of dollars owing to us by customers, and I only want to put this practical question, whether every year all the bad debts are written off, and whether we may assume that this is a *bonâ fide* and good asset for the amount which is placed in the sheet.

Mr. LYALL : I would like to ask whether this Company holds any mineral lands at all—whether it has any mining lands on option or on lease in Canada. I would also like to point out that in the Balance Sheet there is cash in hand and on deposit in London of £96,712, and sundry investments of £63,000, making altogether about £150,000 or more, and the return, as shown in the profit and loss account, from dividends, interest, and transfer fees amounts to only £2,295. That seems rather a small return on so much money which is practically all invested. I take it that the cash in hand and on deposit means chiefly cash on deposit. £96,000 is a large sum, at least for some Companies.

Major BIGG : I should like to ask if the Shareholders can be furnished with the accounts of the Puget Sound Company, in which this Company is one of the principal Shareholders.

THE CHAIRMAN : If there are no other Shareholders who desire to address the Meeting, I will now reply to the remarks which have been made. Mr. Landau has told you, ladies and gentlemen, that in 1869, I think it was, Sir Stafford Northcote, a man of excellent judgment himself, and one who would not give anything but the best possible advice, assured the Shareholders that if they permitted the land, so far as it belonged to the Company, to become a portion of the Dominion, their fortunes would be made. I think it was very excellent advice indeed that Sir Stafford Northcote gave. There was a question with regard to the Hudson's Bay Company's right to the possession of the land in the North-West. It was held by many, and this was the contention of the Commissioners from Canada, that the Company actually had no right to it—that the charter of Charles II. did not give them full right in the

land. But apart from that altogether I think they did well in transferring their land and the government of Rupert's Land to the Dominion of Canada. It is true they got only £300,000 for it at the moment, but look at the anomaly of the Governing body of a country being the sole merchants and traders in that country, and you will see what a difficult, what an impossible task it would have been to administer it by a Trading Corporation when opened up for settlement. Therefore in this respect it is well it went to the Government of the Dominion of Canada. You had removed from your shoulders what was becoming an incubus; what was a source of great and yearly increasing expense. But besides the £300,000 paid in the first instance, you received as Return of Capital from the sales of land—£400,000; making in all £700,000, and this in addition to the ordinary annual Dividend from the Trade. Besides that I look upon it—and I am sure all those who know the value of the Company's Lands in the North-West of Canada will look upon it—that the Company have indeed a great inheritance in the Lands they own there—that apart from trade altogether they will have ultimately what will be much more—a great deal more indeed—than the £1,300,000, the par value of the Company's Capital at this time. I trust it will be three times that amount. I think in saying so it is not exaggerating what we have a right to look upon as the value of the Hudson's Bay Company's Lands in the future. It will not be this year or next year, but with increased population, which is coming and which must come in much greater volume, we shall assuredly have there a value in those lands which I have no doubt will be satisfactory to the gentlemen who are here now, and who retain their interest in this Company, and to those who come in after. It will also be good for those Trustees, Widows, and Infants referred to by Mr. Landau, and I hope it will be felt that their money has been well invested; I believe myself that it will be found to be so.

About Exploration Companies. It may be said that we have been a too safe going Company heretofore, but we have endeavoured to march with the course of circum-

stances; we have endeavoured to take advantage of everything that would be beneficial to the Company. We have not desired to risk your money unnecessarily, and we do not think that the lands the Hudson's Bay Company possess at this time, including those at the different Posts, are such as to warrant our offering them to Exploration Companies, even should we have the advantage of getting a royalty. It may be that there will be discoveries, that circumstances may change, and that it will be for the profit and interest of the Company to endeavour to get good, substantial and reliable people to take up some portions of the land for this purpose, and I hope—I feel sure—that the present Directors, and I trust those whom you may appoint to take their places in the future, will have their eyes and minds open to this as in the past, and that they will avail themselves of every opportunity offering to the advantage of the Company.

I for one should be sorry to find that the fur-bearing animals became extinct. What are the ladies, and even the men, to do without furs? We obtain some of the best and most valuable Furs and dispose of them at a fair profit, and along with our Sale Shops I trust we shall continue to have from these sources a moderate dividend, while we are looking for much greater results in the future from our Lands. (Hear, hear.)

Our friend, Mr. Clarke, has referred to the outstanding balances. I say to him and to you, ladies and gentlemen, generally, that there is a yearly and a continuous revision of all Accounts of the Company. We have an inspection throughout the country, and we look upon the balances—whatever is put as a credit here—as an actual credit—that it is not merely there to make an appearance on paper, but that it is in most cases equal to, or as nearly equal to actual cash as any such balances can be. (Hear, hear.)

In reply to Major Bigg, I would say that the Hudson's Bay Company is the chief proprietor of the assets of the Puget Sound Company. For the last two years there has been no dividend on the Puget Sound Shares, owing to great stagnation in the sale of its Lands. Now that British Columbia is happily coming to the fore, we

hope that those lands will also appreciate in value, and that there will be a more ready sale for them. That will help towards the dividend of the Hudson's Bay Company. These lands are so favourably situated in Vancouver's Island, as the honourable Proprietor knows, that they must be of very considerable value in the future.

In reply to Mr. Lyall, the money on interest is really in the nature of a current account, and sometimes, of course, in carrying on the trade, we borrow as well as lend money. We have it only a short time—after the Fur Sales; it goes out for goods that have to be sent into the Country and for the dividend. It is not as if it were in the hands of the Company for twelve months, so that the honourable Proprietor will see that the interest arising from it must be inconsiderable.

Altogether I would repeat what I said before, that I believe the position of the Hudson's Bay Company at this time is a very good one for the shareholders, and that by efficient management and judicious economy you will continue to be in a good position as a Company. I will now put the motion for the adoption of the Report, which has been seconded by the Deputy Governor, the Earl of Lichfield.

The Resolution was carried unanimously.

The CHAIRMAN: I now move the re-election of the Earl of Lichfield as Deputy-Governor, and of Mr. Alderman Vaughan Morgan as a member of the Committee, and I will give both together.

Mr. ALFRED WILLIAMS: I shall have pleasure in seconding that.

The Resolution was unanimously agreed to.

The CHAIRMAN: The present auditor, Mr. Thomas A. Welton, retires, but is eligible for re-election. I will ask some shareholder to be good enough to move his re-election.

Mr. WRIGLEY: I shall be pleased to do so.

Mr. E. TROAKE: I shall have pleasure in seconding the motion.

The Resolution was unanimously agreed to.

The CHAIRMAN: I have now the pleasant duty of saying that the dividend warrants will be posted on the 13th and paid on the 14th July, and long may you have equally good dividends to receive! (Applause.)

Mr. NATHANIEL SPENS: I beg to propose a hearty vote of thanks to our noble Chairman and worthy Directors. I am bound to say of late years I have become from year to year more satisfied with the conduct and management of the Company.

A SHAREHOLDER: I have great pleasure in seconding that resolution. I am sure we are all deeply indebted to the Governor and Committee, and I endorse every word that has fallen from the proposer of the resolution.

The resolution was unanimously adopted.

The CHAIRMAN: I thank you, ladies and gentlemen, very cordially for your kindness in offering this vote of thanks to my fellow Directors and myself, and I can only say that, in the future as in the past, we shall do our best in every way that we can in your interest.

The proceedings then terminated.

